

CHAPTER NO. 547

SENATE BILL NO. 2547

By Haynes

Substituted for: House Bill No. 3165

By Davidson

AN ACT To amend Tennessee Code Annotated, Section 49-7-809 and Section 49-7-811, relative to the Tennessee Baccalaureate Education System Trust Act.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-7-809(b), is amended by deleting the same in its entirety and by substituting instead the following:

(b) Notwithstanding any other law to the contrary, the board may provide in a tuition contract that the tuition benefits being used for the payment of tuition and other educational costs be paid directly to the beneficiary or to the entity to whom the charges are owed provided such direct payments are authorized under the sections of the Internal Revenue Code which are applicable to the program.

SECTION 2. Tennessee Code Annotated, Section 49-7-811(d), is amended by deleting subdivision (1)(B) in its entirety and by substituting instead the following:

(B) If the scholarship, waiver of tuition or similar subvention has a duration that extends beyond one (1) academic term, the refund recipient may request a refund in advance of the scholarship payment. The amount of the refund payable to the refund recipient shall equal the value of the tuition benefits in the beneficiary's account that are not needed to cover tuition or other educational costs on account of the scholarship, waiver or similar subvention. The refund provided by this subdivision (1)(B) shall be determined without regard to any time limits on the use of tuition benefits;

SECTION 3. Tennessee Code Annotated, Section 49-7-811(d), is further amended by deleting subdivisions (2) and (3) and by substituting instead the following:

(2) Retain the tuition benefits in the beneficiary's account for later use;

(3) Transfer the tuition benefits to another qualified tuition plan or program for the benefit of the beneficiary pursuant to such rules and regulations promulgated by the board pursuant to § 49-7-805(16); or


(4) Transfer the tuition benefits to a new beneficiary pursuant to such rules or regulations promulgated by the board pursuant to § 49-7-805(16).

SECTION 4. Tennessee Code Annotated, Section 49-7-811(h), is amended by deleting the second and third sentences thereof.

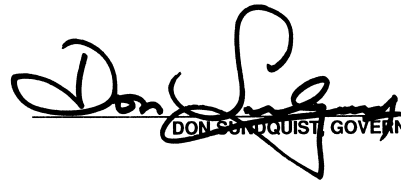
SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: March 25, 2002


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 3rd day of April 2002


DON SUNDQUIST, GOVERNOR